



7<sup>th</sup> October 2013

Dr Ron Ben-David  
Chairperson  
Submission to taxi Fare Review  
**Essential Services Commission Victoria**  
Level 37, 2 Lonsdale Street  
MELBOURNE VIC 3000

Dear Ron

**Re: Taxi Fare Review 2013-14 “Call For Ideas” September 2013**

Thank you for the opportunity to answer the initial set of questions put by the ESC relative to the Taxi Fare Review 2013-14. Geelong Taxi Network agree that effective stake holder engagement is an important feature of the ESC’s review process. Further we acknowledge this response is for answers to questions as a “Call for Ideas” to help make taxi services a more attractive option for customers while ensuring the ongoing viability of the industry to provide those services. We also accept and appreciate that there will be plenty of time left later for detailed reports.

From the beginning, we will discuss taxi-cab fares in our region. Discussions will include ability for us to go openly show individual items, problems, ramifications and operational profit and loss for taxi-cabs and WATs in the Geelong urban zone. GTN founders have serviced the Geelong area since the 1930s and earlier with some founding members. Geelong Taxi Network formed in 2006 to be the Network Service Provider for the Geelong Radio Cabs Co-operative.

Geelong Taxi Network has up to 150 taxi-cabs in the Geelong Urban, Torquay and Bellarine Peninsula country taxi-cab zones. Geelong Taxi Network is the largest Urban Network in Victoria. Geelong Taxi Network operate a fleet of 24 Wheelchair Accessible WATs, 21 in Geelong, one in Torquay and two on the Bellarine Peninsula. Geelong Taxi Network also operates the three conventional country taxi-cabs in the Torquay Country Zone. All other cabs within the Network are owned and operated by individual operators, licence holders with varying numbers of taxis each.

Having set the scene above it is extremely important to understand that our answers concentrate directly with the concerns of taxi-cab transport in Geelong and surrounding zones, with a smaller regard and reference to other taxi-cab zones that either have a similarity or alternatively a direct affect on conditions in Geelong. This has been the process for all responses during the Taxi Industry Inquiry and find it more beneficial to ensure that the recipient of our response understands that the Geelong Taxi Network position relative to its local market as opposed to its position in a state wide picture can be considerably different.

**Questions to All Stakeholders**

**1. What are the priorities and immediate issues that we address as part of the fare setting role.**

Geelong Taxi Network understands the priorities and immediate issues relate to current predicament that drivers, operators and NSPs find themselves in without a fare increase

for the last five years. Whilst much has been said about a complete fare review it cannot be overlooked that the failure for the Minister to approve an increase in taxi fares has had a huge impact to in some cases devastating on all three elements of the service supply chain. Geelong Taxi Network or GTN or GRC as a Taxi-cab Operator of WATs have been at the forefront of increases in costs for the operation of their vehicles, fuel, registration, insurance, repairs and maintenance etc, along with statutory increases imposed for Vic Roads Registration and even the TSC for licence fee with as late as last week have shown almost a 6% increase for some WATs in the last 12 months. In addition to that GTN as an NSP has struggled to impose increased fees to operators in terms of supporting the business when it has itself experienced all the natural increases particularly CPI for administration, call centre and dispatch staff which resulted in wage and on costs figures alone increasing by the applied CPI and award rate increases. The travelling public has grown to expect an increase on an annual basis of public transport therefore irrespective if you ask a customer is a fare increase reasonable, the answer would be no, but in terms of a fare increase being logical when public transport fees are increasing, the answer logically and sensibly must be yes.

**2. What are the elements of a good fare structure? What are the impediments to a good fare structure? How can they be resolved?**

The elements of a good fare structure must be a complete coverage of all ongoing expenses for the operation of the vehicle. The elements must also include a fair return for the driver. If the legislative change is from a 50% driver split to a 55% driver split then the starting point for calculating must be that the 45% for the operator equates to the original 50% of the operational figures on today's costs.

Other elements of good fare structure are things that give passengers comfort that they will travel and not be rejected to travel for what has seen to be a reasonable figure for the customer, and a sufficient return for the driver and operator. **How can they be resolved?** At this point it is suffice to say that a lot of the imposition of fare refusal and other driver offences should not only be guided by the taxi-cab fare but also should be strengthened and supported by the TSC's ability to impose fines for a breach of regulation. This suggestion will only have practicality if the TSC have sufficient staff to be able to investigate and impose fines. The penalty structure is extremely important irrespective of the dollar value, as drivers will take advantage of situations if not caught and penalised for their mister meanors. So the impediments to a good fare structure are really in the hands of the drivers ability to cheat, consequently every decision made with regard to fare should consider whether it is contributing or supporting the drivers ability to cheat or whether in actual fact the decision discourages, illuminates and stops that ability eg the ability to negotiate a fare or the ability to collect a fare in advance often leads to the fare not being conducted on the meter which results in the driver not including those cash fare elements in their payment of bailment to the operator, Consequently, the 50% which is going to become 55% in many cases is already 60% or 65% for the driver and less for the operator who is the one with the responsibility and the costs. So a fare structure that eliminates that ability and provides true and accurate records for every transaction is the perfect fare structure.

**3. How can the fare structure be improved for example? What are the right incentives? Are there any adverse incentives?**

Some of the right incentives include the current components with a potential different mix of components. The adverse incentives. The booking fee component is an interesting component one would expect that the booking fee component would relate to exactly what it says. It is a fee for booking the taxi, one would expect that this would be therefore, in a perfect world, a cost which goes to the NSP for providing the booking services. Wrong. Furthermore if that suggestion was to be strengthened the total of the

booking fee would go to the operator to retain as payment towards the depot booking fees to which they receive for their taxi-cab bookings from the Network. Wrong. So therefore why would the driver be entitled to a booking fee? One argument has been used that he is being asked to travel from one position to another to take that booking. One would suggest that in the ancient days when drivers sat on a rank, that maybe the case but with NSPs Booking Service and the ability in Geelong for drivers to position them in the area where the work has been the strongest over the most recent hour there is very little need for repositioning. Moreover a driver often uses this fee when travelling to a private booking and ignoring many customers along the way and then supporting his income by this non discriminatory booking fee.

**4. What is the sustainable level of taxi-fares? What level of taxi-fares is required to ensure the industry is financially viable?**

The sustainable level of taxi-cab fares relates to the existing fare at this point in time. Irrespective of a fare review, plus the appropriate increases that have occurred over the last five years. To suggest that fares would not be sustainable would be wrong. Above we drew a parallel to public transport. In addition, Geelong Taxi Network have a Quality Assurance Officer who handles all types of complaints relative to the operation of taxi-cabs in the Network. The number of complaints relative to taxi-cab fares is negligible. The complaints relative to taxi-cab fares more often relate to driver application of taxi-cab fares or whether the driver had the meter on at the right time, or turned it off at the wrong time, or applied additional changes or allowances such as a booking fee. So therefore the argument about taxi-cab fares relates not to the amount of the fare but to the principle behind the drivers ability to manipulate the fare. Therefore the argument is very rarely about the amount of the taxi-cab fare. There was very much noise about the ability of people to pay for taxi-cab fares on a Friday or Saturday night if they are out socially, unless a person has decided not to pay the fare irrespective of the value the taxi-cab fare is. The fare is not questionable in the eyes of the customer, it is insignificant in terms of what is paid out on that night for other activities and by comparison is a well deserved fee for service.

In terms of taxi-cab fares for daylight hours particularly with regard to aged, frail and disabled there is not a concern at the fare size. In summary what we are saying is that if the taxi-cab fare keeps in step with movements of other public transport and other adjustable service prices, that is what the customers will be willing to pay to continue to use taxis. If surveyed they would definitely tell you something different, but in reality we understand that doesn't match the survey results. The theory that a taxi-cab fare would be less and hence many more people would use taxis and you would increase your business, we firmly believe is a pie in the sky. Even when tested Geelong cheaper options for public transport and a Night Rider Bus using cheaper fares did not attract additional people. The ability to travel from A to B in a safe, timely and practical manner is what attracts people to taxi-cabs.

**5. Does the current fare structure make drivers indifferent between long and short trips and if not how could it be restructured?**

There is a fallacy in the minds of many drivers that a long trip eg to Melbourne is lucrative. Experienced drivers will confirm that staying in Geelong for numerous short trips can be in the majority of instances just as if not more profitable than the one or two trips to Melbourne that they may take.

There is not one taxi-cab operator who frequented the Avalon Airport and used this as a base for their business that exists today. Those who have tried it have all gone broke and have left the industry. The reason is because they sat and waited for that one famous trip to Melbourne from the Avalon Airport. Irrespective of whether the average

number of passengers off a plane required two or three taxis and there were six or eight in the queue with one, to two to three hours to the next airplane. Logically you would say straight away why would you sit there? However many operators did. This led to short fare refusals because they wanted, and could not afford after three or four hours, to do anything but a Melbourne trip. There has been very much discussion around the Tullamarine Airport and the fare structure from that airport. We consider that the Avalon Airport would be different. A number of theories have been put by the Taxi Industry Inquiry some of which suggested by the Avalon Management and these theories related to return trips in Melbourne. However as there is no practicality around the thought as to how you would marry a return trip to a Geelong bound trip in terms of the areas of drop off and pick up, or trying to match the times relative to the flights out of Avalon.

In terms of long trips where we have medical appointments for passengers travelling from Geelong to Melbourne which result in a return trip within a reasonable time frame, the Network offer the driver the return trip. As a rule of thumb the driver is offered to wait and return, the return trip is to be carried out within, as a rule of thumb the waiting time is no more than twice the travelling time from Geelong to the drop off point. The driver then has the option to accept or reject the return trip. In the majority of cases they do accept. In that case it is logical and the fare benefits both the driver and the passenger travelling to Melbourne. It also ensures that a constant provision of transport services is provided in Geelong without involving additional cars.

**6. Should the flag fall rate be increased and the distance rate decreased eg to address short fare refusals and overcrowding of taxis at the airport?**

The potential of a increased flag fall with either a distant charge decrease, or alternatively an increased flag fall for a set distance from pick up point to when the kilometer rate kicks in, would potentially overcome a number of short fare refusals. It would also make the fare structure simpler and give better predictability to a number of the aged, frail and disabled who travel, knowing that in the majority of cases their fare may be covered by this initial flag fall rate. This may also have the potential to illuminate fraud or increases applied to fares, or components of fares, unnecessarily.

**7. When are the peak periods of taxi demand?**

The peak periods of taxi demand are predominantly between 7.30 to 9.00 am and 2.30 to 4.00pm Monday to Friday with the peak demand extending from around midnight to 5 am in a Sunday morning with less peak on a Saturday morning and, when a long weekend occurs, you have a potential repeat of peak on a Monday morning.

**8. How could peak and off peak fares be adjusted to better match supply and demand for taxi services and ensure services are not adversely affected by changes and operator returns due to the new Driver Agreement?**

Geelong Taxi Network would be extremely concerned in the application of taxi-cab fares being applied to peak periods particularly between Monday and Friday daylight hours. The reason for this is that in those peak periods many aged, frail and disabled travel to work placements or medical appointments and one would question why it was required for those passengers plus the effect on MPTP program, or National Disability Insurance Scheme to pay a premium for taxi-cabs compared to non peak services. Further if an aged or frail person travelled to a medical appointment in an off peak time say 10am and then was required to return from the hospital or medical appointment after certain consultations, at say 6pm why should a passenger aged, frail or disabled pay more for the return trip than they paid for the inbound trip for on the same day for the same amount of travel to a particular appointment. It seems logical and unfair that these principles would be applied.

Now as far as peak fares applied after hours our understanding of these fares in a high demand area is to ensure that drivers, particularly on New Year's Eve for an extreme example, were given the total of that fare surcharge to ensure they would work on these times. In a real and practical world there the times when the driver wants to work because there is much more work fluency available. One again would question why the fares would peak at those particular times. Why is there not a flat fare for any time of the day any time of the night? If you are going to provide an increase in a taxi-cab fare why would it not be provided on those quiet nights of the week Monday to Thursday or the quiet times of the night 11pm to 5am when there are not very many passengers available and the operator and the Network are trying to ensure that a service is provided to the public by having sufficient cars on the road during those times. Sure, this suggestion is in total opposition to the earlier comment about same fare same time, however it is in reliance in line with the theory of having different fares at different peak periods. Ask a customer if fares were lower during off peak periods would you use more taxis more often, the answer again would definitely be yes but in practical reality the increase in service will be negligible. Many customers agree with questions in surveys, but very few put their money where their mouth is.

**9. How can the multiple hire fare be simplified to assist the industry provide flexible and innovative share ride type services?**

As GTN have worked very closely with the ESC to develop a fare structure for share ride services there will be little need for use to comment in this area as we will revert directly back to the principles and the project model that we put to the ESC regarding share ride services. The current status of this is that we are finalizing operational issues with Council and also trying to incorporate the police ticketing system for the safety of passengers and the driver. Suffice to say that this model will be tested in the near future and the results will show whether we have got the right mix and whether we have got the right fare level but overall the aim of this project was to increase the numbers of passengers in each and every taxi not just share ride taxis to clear the City of Greater Geelong quicker in times of high load and when people are at higher motion level due to alcohol and other substance consumption whilst trying to provide a safe situation for taxi-cab drivers in the zone.

**10. Is there merit in having a minimum fare for certain trips or for trips within a particular geographical region?**

As commented earlier Geelong is somewhat different in its airport travel to Melbourne however previous comments in this paper elude to the potential for a higher flag fall with not necessarily a lower kilometer rate but a flag fall which incorporates the first portion of the journey be it based on time or kilometers with a following kilometer and detention rate as per the current system. It was explained that this can have merit in terms of aged, frail and disabled being comfortable about the known fare. It can also be an assist to be potentially successful with regard to Avalon Airport, however the danger in that situation is to ensure that once that maximum fare is arrived or indeed if it was a fixed fare that the balance of the trip be it from Avalon to Geelong or Avalon to Melbourne is then acceptable to the passenger without an expectation that it is an all inclusive one figure fixed fare ride. The issue being when someone says Geelong to Melbourne it sounds straight forward however Melbourne is therefore defined in someone's eyes as the CBD and which is totally not the case due to the geographical spread and distances between suburbs in Melbourne as can be referred to at the booking stage, therefore it would be discouraged to have a fixed fare Geelong to Melbourne.

**11. Is there a need to increase patronage to taxi services?**

The simple answer is yes there is always a need to increase patronage. Increase in patronage somewhat relates to a) growth and b) the fact that you have a constant

turnover of passengers or types of passengers who may or may not travel constantly or seasonally. There are a number of factors which are outside the control of the taxi industry which will see an increase in patronage and one of those in particular is the introduction of NDIA National Disability Insurance Agency which will see more trips for aged, frail and disabled particularly disabled because there is a wider scope for travel for these people, along with a new source of passengers who up till now may have been on a waiting list and will now have access to Disability Services.

Another area which should be given a lot of consideration to increase patronage is replacing the decrease in patronage which was brought upon by the Taxi Industry Inquiry. Unfortunately the strong nature of the Taxi Industry Inquiry Campaign to denigrate the industry had a large effect on the attitude of passengers towards taxi drivers and the taxi industry in general. Once again if you ask the right derogatory question you get the right derogatory answer. Consequently a lot of concentration must be done to ensure that the industry and the professionalism of drivers is put back into a category where a passenger feels safe knows they will be transported correctly and has respect of the taxi-cab driver who is carrying out the work. This is because the passenger does not want to drive, cannot drive, are aged or frail or are in a state of some type of oblivion that they could not drive. Therefore being in that state in any one of those conditions requires respect for the person carrying out the work for you. I draw a parallel to the same respect for a doctor or a nurse or a person who requires medical attention. In this case then if there are safety measures that must be taken for the protection of the driver and those expenses are then attributed back to the driver or the operator for the provision of safety measures within the taxi-cab then those items must be considered and taken into account when setting fares.

**12. Are there any unique issues within the industry that we must take into account in setting fares?**

Geelong Taxi Network operates an extremely successful WAT fleet of 23 WAT vehicles. Currently the Bailment Agreement is a 50/50 split. The new Bailment Agreement (Driver Agreement) is understood to be legislated at a 45/55 split. GTN have commented early in the paper of the need to ensure that the 45% operator expenses covers all expenses to operate a WAT. The Board of Directors have offered the Essential Services Commission access to the operational profit and loss of these vehicles over a number of years to ensure that the actual and factual costs to operate these vehicles are fully known and understood. The second point is with regard to the lifting component of the taxi-cab fare. The lifting cab component often referred to as a lifting fee was initially introduced as a fee to operators of Wheelchair Accessible Taxi-cabs with the understanding that 50% would go to the driver for the additional time required to load passengers and 50% would be attributed to the operator for the additional costs of a WAT vehicle with regard to purchase of wheelchair accessible equipment and modification to their vehicle. For example a standard car new is around \$30 to \$35K whereas a WAT is around \$80 to \$85K. Over a period of time, within the last 10 or so years the VTD saw it fit to change the lifting fee component to a 2/3<sup>rd</sup>s to driver 1/3<sup>rd</sup> to operator. This had a dramatic effect on the operator as has just been explained who has not only paid for the modifications to their vehicle but constantly requires to pay for the maintenance of the wheelchair accessible lift. In the majority of cases these are a hydraulic unit requiring ongoing maintenance, dependent on their use. For example, Geelong Taxi Network carryout approximately 1500 wheelchair accessible lifts with the 23 vehicles per week as opposed to other vehicles in Melbourne who may do one or two lifts per day. Hence, the maintenance figure is also non comparable to Melbourne due to the work the wheelchair accessible taxis do in this zone.

Geelong Taxi Network therefore draw a parallel to the fact that if the drivers split is to be 55/45 then at its least the lifting fee should also be brought back in line within the ratio of the taxi-cab fare that is 45 to the owner and 55 to the driver. That would make common sense to return remuneration back to the operator to compensate for the more expensive vehicle and maintenance of the WAT equipment.

The next comment would be regard to an unconventional method for comparison of a taxi-cab drivers income related back to a taxi-cab fare. It may be something which could be used as a check rather than the basis for calculation. Hence the industry acceptable income for a bailee driver could be used to construct a taxi-cab fare in reverse as a double check on the amounts for both driver and operator and compare both to actual costs. Interesting concept!

## **Questions to Operators**

### **1. What are the main cost components of operating a taxi? Have these costs change since 2008?**

We would find it far better to allow the ESC access to our taxi fleet operational profit and loss which lists numerous breakups and splits for both income and expenditure. There are approximately 27 categories of expenditure listed which become the major cost components of operating a taxi which are offset against a bailment fee paid by the driver. In answer to the costs changing since 2008 again we are happy to disclose the operational figures and have some basic figures set out for the WAT fleet which are available to the Essential Services Commission but not be exposed to the public, particularly if this submission is made a public document on your website. These figures clearly show the operational income and expenses in total and per car complete with margin and the total kilometers travelled providing a cost per kilometer and a driver return and a owner return per kilometer from 2008 to 2009 and by comparison to 2012 to 2013. Year to date data can also be given for the year to date for 2013/2014.

### **2. How does fare structure interact with your ability to engage sufficient drivers for your taxis?**

In the conventional taxi fleet affiliates of the Network have struggled in many occasions to either engage or retain sufficient drivers particularly for quieter shifts predominantly due to a taxi-cab fare box return of which 50% went to the driver. It appeared an extremely easy fix to say well then lets not adjust the taxi-cab fare but give the driver an extra 5% but if that principle was applied it would leave the operator in a debilitating mess in terms of efficient return to cover costs of operation. Having addressed the licence problem which was brought to the attention of the VTD about the growing assignment rates there seems to be more stability in having the rate set around a value set for licences for the urban area at \$22,000 equating to an assignment value of around \$400 to \$423 per week.

In terms of WAT drivers different concerns are applicable regarding the engagement of drivers. It is not necessarily the fare structure that presents the problem of finding WAT drivers it is the ability to ensure that WAT drivers will stay on the road for sufficient hours to cover all of the work. We are experiencing that WAT drivers are not driving for the taxi-cab fare but are driving for X amount of lifts valued at \$10.60 per lift times 10 or 12 lifts per day sometimes higher and then deciding to come off the road because the peak period for wheelchairs has ceased. This makes it extremely difficult for the operator to earn the additional money required to pay for the more expensive vehicle. Hence, the reason the comment has been made earlier about a redistribution of the lifting fee and a potential for the 45% return to the operator to equate to actual costs and not where the previous equation was 50%.

## Questions to Network Service Providers

### 1. What are the services that a Network Service Provider Supplies?

Geelong Taxi Network provides a range of operational management and administrative services to operators. The Network is the reliant point of contact for an operator. They are assisted with the preparation of their paperwork to step through the process of becoming an affiliate with all administrative requirements of driver, operator and licence holder accreditation. The operator or the affiliate is offered dispatch services inclusive of the supply of all electronic equipment with the exception of their own taxi-cab meter and taxi-cab dome light. In Geelong you have approximately 70% of the work being network dispatched book work to 30% of rank work which is the reverse situation to what is experienced in Melbourne. In addition to that there is a training facility for all drivers. Training is of a varied nature from those with no experience through to those who are returning or transferring from another area or another state.

All complaints and compliments are handled by the Network relative to drivers and operators. This has become a large area of concern for the Network and a large expense, as the growing amount of inexperienced drivers, particularly from other countries is leading to an excessive amount of complaints. The excessive amount is clearly due to the low rate of fares for drivers who must work to stay in the Australia, whereas if the fare was of a better quality with higher a remuneration value then the industry, particularly in Geelong, would attract more long term professional drivers and we have a clear understanding that the number of complaints would reduce significantly supported by the evidence of 5 to 6 years ago when we only had a small number of drivers from other countries and most drivers were born, bread or raised in the Geelong zone and consequently had vocation available to them in their home town. The services that are provided by the Network give the operator support to them in terms of their administration and taxi management needs.

Drivers and operators have the opportunity and are encouraged to opt into Goldcare work provided they are trained to cope with the additional requirements for this specialized service. In addition, the Network also provides constant updates and the link between the Taxi Services Commission and the operator. Complaints, often caused by inexperience, put a drain on the resources of the Network. GTN have a Quality Assurance Officer to ensure that regular inspections of taxi-cabs are conducted. The inspections ensure the quality of vehicles in the field and are followed up to ensure improvement. Driver training provided by the Network ensures a high level of service is expected and provided and that the items relating to the points accrual for penalty breaches are covered in the retraining process and hence the service level improves.

The outlook for the level of Network fees payable by members at the moment is not healthy in fact it is bleak. Network service fees need to reflect the services that are required to be provided and should also be subject to increases of CPI or costs as costs are increasing, particularly the Network staff costs which increase on an annual basis.

Additional services provided by the Network include a website, a web based booking system, a Geelong Taxi App Booking Service, message on approach for SMS services. In addition Geelong Taxi Network provide a host of stationary supplies to operators inclusive of books, business cards and other items necessary for the operation of their business. Should they have to purchase these individually the costs would be higher than we could supply them, or if they chose not to supply them the service level expected by the TSC would be diminished. The Network also offers affiliates the opportunity to buy fuel at a discounted rate which would not be applicable to affiliates without the existence of Geelong Taxi Network.



**2. Are there particular trips that are difficult to assign drivers to?**

There are occasions when an out of area trip into a localized but country zone close to Geelong may require additional support to ensure that drivers are comfortable carrying out the work. That is predominantly not due to the fare structure but mainly due to ensure that when they get to the area that the customer is going to be present and that they don't turn up to a no job. Some sort of recompense in that area would be favourable however it is a difficult assignment unless for example a credit card payment as a deposit is taken. This could not be applicable for those cases for aged and frail or services for example for Department of Veteran Affairs or NDIS. Hence, it is one of those operational nightmares that are faced by drivers, operators and the Network with very little relief.

## **Questions to WAT Service Providers and Users**

**1. What is the level of service quality performance for standard and wheelchair accessible taxis?**

As stated before Geelong Taxi Network operates 24 WATs via a specialized WAT Call Centre which has a rotational staff for support. GTN have been praised for a number of years for its dedication and operation to the WAT service and have provided service levels generally in the +90%'s according to the overall service level provision of the TSC PBBS Contract. Those service levels have been reduced to high 80%'s to 90%'s with the introduction of more stringent KPI's but the service delivery quality has not declined at all during that period. The difficulties were mentioned earlier in this document about the ability to provide continuous services when drivers become complacent about money earned from WAT lifting fees. The fare structure could address that issue and make the lifting fee more equitable to ensure that a longer service provision is available to the public.

**2. Centralised Booking System**

Geelong Taxi Network have eluded that they currently run a specialized WAT Booking Centre, however as a comment with regard to Melbourne it is understood that a centralized booking system has not been successful in the past and is not the centralized booking office that is successful it is the methodology that is used to dispatch wheelchair accessible cars which could be done with the current providers.

It can take between 8 to 12 minutes to load and unload passengers the concern is mainly surrounding the issue of the location of passengers and the time involved in locating and then loading passengers which can be between the 8 and 20 minute mark.

Another problem is with the lifting fee that relates to the fact that it is only applicable to an MPTP booking. Geelong Taxi Network carryout an average of 1500 lifts per week with its WAT fleet about 1000 to 1100 of those are MPTP and the balance are non MPTP ie hospital transfers or the like where an MPTP card is not applicable due to it being for a Government Agency. In that situation it is unreasonable for the driver to not be paid or the operator not to be paid for those lifting fees. It also shows that there is discrimination between those with an MPTP card and those without an MPTP card not in terms of passenger but driver and operator remuneration. There does not appear to be any difference in a person with a disability whether they hold a card or not so why should there be a difference in the fee paid for transporting that person. In addition that person may be the same person travelling either under a TAC or non TAC situation whereby discrimination is extended even further.

**3. To what extent do costs vary between standard taxis and WATs? For example How do Fuel costs differ? What is the cost for fitting out a WAT?**

Operationally we as explained earlier we are happy to show you the difference in the operational costs of our standard fleet versus our WAT fleet in all areas of the costs schedule and not only relating to fuel. In terms of the costs of fitting out a WAT drivers or operators are buying taxis anything from \$15 to \$35,000 per vehicle, WAT vehicle purchased by the Network are always new in the order of mid \$45 plus the final fit out cost of a WAT with modifications and all the other equipment is an additional \$30,000 plus which is to be recouped over the life of the WAT approximately 10 years. It is understood that a WAT beyond six years is starting to age and the volume of usage of the Geelong WAT fleet above four years starts to see a spike in repairs and maintenance and running costs.

In conclusion we trust the above is an introduction and helpful answer to questions posed. We ask that the extent of our consultation not to stop there and we extend a direct invitation to ESC staff and particularly Doctor Ron Ben-David to visit the Network and sit and discuss operational factors which will affect taxi-cab fares offering the provision of exposure of operational costs which we believe will be hugely beneficial to the Essential Services Commission.

We trust this explains our current position and look forward to working with the Essential Services Commission in the near future.

Yours Sincerely

**Peter A. Valentine**  
**Chief Executive Officer**